

NYE-DT 8

From: Clark, Gary </O=APACHECORP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=CLARK, GARYF7A>
To: Pursell, David; Meyer, Mark
CC: Cassidy, Patrick; Schmidt, Derek; Chudy, Adam
Sent: 4/25/2019 12:21:41 PM
Subject: For this afternoon
Attachments: image001.png

Gents, see below to frame our discussion his afternoon. Andy is a fairly insightful long APA hedgie that gives us color on the sell-side and shorts.

I think we should discuss giving the market guidance for 2Q, 3Q and 4Q at Alpine High (and for Permian Oil), as the market is having a hard time seeing through how we get to our 4Q and YE exit rate numbers (ie they don't really believe them). Derek is setting some charts up for the Supplement to show how we would do this and correlate well completions / turn-in lines to the production ramp for both.

From: Clark, Gary
Sent: Thursday, April 25, 2019 11:18 AM
To: Andy Yang <andy.yang@holoceneadvisors.com>
Cc: Cassidy, Patrick <Patrick.Cassidy@apachecorp.com>
Subject: Re: [EXTERNAL] FYI

Thanks Andy - we reiterated our 2019 AH exit rate guidance in the press release. What I told analysts was that 4Q should not be impacted at all given GCX coming on. There may be some impacts extending into 3Q from curtailments on the dry gas side, but that is not knowable yet.

Otherwise, our ability to achieve our plan this year is only impacted by the amount of curtailments - the curtailments themselves don't impact our activity cadence or expected contribution from new drilling and completions.

Sent from my iPhone

On Apr 25, 2019, at 10:38 AM, Andy Yang <andy.yang@holoceneadvisors.com> wrote:

Hi Gary and Patrick,

Hope this email finds you both well.

To the extent you update 2019 total production guidance due to ALP curtailment, it may be helpful to give 4Q19 total production as well (or reaffirm 4Q/4Q growth commentary). That way the market can understand that 2Q/3Q lower is simply due to ALP curtailment, which does not impact your 4Q19 total production/exit rate expectation and 2020 production estimates.

I pinged sell-side and looks like they are waiting for print to update numbers (given most are neutral/sell...they are not bothering vs when they are buy-rated stocks, they tend to be more proactive to change numbers). Reason I mention this is people are seemingly shorting into the print, looking for 2Q production and FY production to miss vs CON in BBG (annoyingly, optics like this still matter, especially for algo/machine trading).

Thanks.

Regards,
Andy

<image001.png>
Andy Yang

Holocene Advisors

andy.yang@holoceneadvisors.com

646.779.6475

The information contained in this transmission may contain privileged and confidential information. It is intended only for the use of the intended recipient. If you are not the intended recipient, you are hereby notified that any review, dissemination, distribution or duplication of this communication is strictly prohibited. This communication is for information purposes only and should not be regarded as an offer to sell or as a solicitation of an offer to buy any financial product. Any views or opinions presented are solely those of the author and do not necessarily represent those of Holocene Advisors, LP or its affiliates. If you are not the intended recipient, please immediately notify the sender by replying to this email and destroy all copies of the original message and any attachments.

WARNING EXTERNAL EMAIL: This email is from an external source. Do not click links or open attachments without positive sender verification of purpose. Never enter Username, Password or sensitive information on linked pages from this email. If you are unsure about the message, please contact the Apache IT ServiceDesk for assistance.